

SW-20445A-09-0077  
W-02450A-09-0081  
W-20446A-09-0080  
W-01732A-09-0079  
W-02451A-09-0078  
W-01212A-09-0082



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Arizona Corporation Commission  
**ARIZONA CORPORATION COMMISSION**  
**DOCKETED**  
**UTILITY COMPLAINT FORM**  
DEC - 8 2009

ORIGINAL

Investigator: Jenny Gomez

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 83556

Date: 12/7/2009

Complaint Description: 08A Rate Case Items - Opposed  
N/A Not Applicable

First:

Last:

Complaint By:

David K.

Simons

Account Name:

David K. Simons & Janet Landman

Home: [REDACTED]

Street:

Work:

City:

Florence

CBR:

State:

Mt

Zip: 59833

is:

Utility Company.

Global Water-Santa Cruz Water Company

Division:

Water

Contact Name:

Contact Phone: [REDACTED]

Nature of Complaint:

\*\*\*\*\*DOCKET NO. SW20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-0080, W-02450A-09-0081, W-01212A-09-0082

REFERENCE: Global Water-Santa Cruz Water Company

Janet and I are against this rate increase for several reasons.

1) Global water purchased this utility about three years ago and admitted to knowing that the system was in need of serious repair. This was told to me and others at a meeting in October of this year by Ron Fleming of Global Water. Ron went on to say that the purchase price of this utility reflected the repairs and up coming new requirements from the DEQ. Ron then said the increase was needed to help cover these and possible future repairs or requirements to the system. Ron also said the increase was needed to keep the rate of return for Global Water high so they can attract new investors. If the repairs were taken into consideration at the start of the deal, why am I and other residents being made to pay. The fact they need a rate of return to attract new investors should not be my burden. Ron Fleming also stated this was one of 5 water companies purchased by Global over the last few years. I feel they have made poor investment decisions and are trying to use the ACC to help them recover from this. Nobody has guaranteed my investments and never will. I am tired of bailing out companies for their bad business management.

2) Global Water is trying to use the statement that there has been no increase for this water system since 1999 and should be given this Increase to help with their profit margin. Global is in essence asking for a 7.2% increase per year times the ten years since this fast rate adjustment for a total of 72%. Global has only owned this system for three years which then becomes a rate increase of 24% per year. This is absurd. I can see a 7% to 10% total rate increase but that is all considering the current economic situation this country is experiencing at this time.

3) Ron Flaming also stated that the ACC has a law which guarantees them up to a 10% maximum rate of return. When asked what percentage the rate of return has been, he would not give an answer, If 10 % is the maximum

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then as long as Global Water is making 1 % or better then they are doing much better than the average American. How can we the people be made to pay for a guaranteed rate of return for a private business? Janet and I have both taken very serious losses in our revenue over the past year, 33% and 50%. We have no law to guarantee our income and neither should Global Water.

4) Janet and I are also going to have to pay a second time for this increase because the HOA will have to raise our monthly dues to cover costs associated with up keep of the sub-division. This added cost then brings the total for just water to about 87%. This is not acceptable.

5) We also found out that Global Water did not inform us of the rate increase for our sewer. Ron Fleming said Global had no responsibility for this, but our bill for sewer is on our Global Water bill. We were not aware of this and could voice our opinion on this matter. The total increase per month for this bill is 280%. When you add this to the water bill we are looking at a total increase of 367%. My parent's home in Sun City is on a private system and their water/sewer base rate is \$28.00 per month. The new base rate here will be \$70.53. This is of course only a guess, since they can only give estimates not actual cost.

6) The water quality from this system is terrible. I grew up on the west side of the valley in Glendale & Peoria and have never tasted water as bad as this. I grew up hunting and dirt bike riding all over the Buckeye & Tonopah areas and drank water from the irrigation canals and they were never this bad. Ron Fleming tried to say the west side just does not have good wells, this is just does not have good wells, this is just G.S.

In closing Janet and I are hoping that the ACC will not grant this absurd rate increase. We hope that the ACC will do what is in the best interest of the residents and home owners of the area.

Thank You:

David K. Simons Jr. and Janet Landman

**\*End of Complaint\***

**Utilities' Response:**

N/A

**\*End of Response\***

**Investigator's Comments and Disposition:**

\*\*\*\*\*DOCKET NO. SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-0080, W-02450A-09-0081, W-01212A-09-0082

REFERENCE: Global Water-Santa Cruz Water Company

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Noted and filed in Docket Numbers by Trish Meeter

**\*End of Comments\***

**Date Completed: 12/7/2009**

**Opinion No. 2009 - 83556**

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ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion      No. 2009      83522

Date: 12/3/2009

Complaint Description:      08A Rate Case Items - Opposed  
N/A Not Applicable

First:

Last:

Complaint By:      Sharon

Ferraro

Account Name:      Sharon Ferraro

Home: [REDACTED]

Street:      [REDACTED]

Work:

City:      Maricopa

CBR:

State:      AZ      Zip: 85138

is:

Utility Company:      Global Water-Santa Cruz Water Company

Division:      Water

Contact Name:      [REDACTED]

Contact Phone:      [REDACTED]

Nature of Complaint:

12/3 GLOBAL SANTA CRUZ Docket Nos: SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079,  
W-020446A-09-0080, W-02450A-09-0081, and W-01212A-09-0082

From: Carl Ferraro [REDACTED]

Sent: Wednesday, December 02, 2009 1:34 PM

To: Utilities Div - Mailbox

Subject: Proposed Rate Increases for Global Water (Palo Verde Utilities and Santa Cruz Water Company)

Proposed Rate Increases for Global Water (Palo Verde Utilities and Santa Cruz Water Company)

Docket Nos: SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079,

W-020446A-09-0080, W-02450A-09-0081, and W-01212A-09-0082

You are considering a proposed rate increase for Global Water that will directly and severely impact our family as residents of the City of Maricopa, Arizona. In fact, the proposed increase will affect all the citizens of Maricopa and could, coupled with the town's other issues, lead to the demise of the City itself. I urge you to consider that your decision could turn Maricopa into a ghost town.

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My husband and I brought our modest home in Maricopa back in 2002, when prices were normal and climbing, not declining. We paid about \$115,000. We realized then that the reason the house was less expensive was because it was in the middle of nowhere (or you could see it from there), with no close shopping, and a long commute to work. We accepted these facts. On moving in, we also realized that there were other expenses to living in Maricopa. In Phoenix, our water/trash/sewer/bulk trash pickup bill was about \$35.00 a month. In Maricopa, our water/sewer bill alone was about \$90.00 a month, and trash was not included. We told ourselves that was due to the fact that we had to pay for the infrastructure, and muddled through.

Now, in 2009, our \$115,000 home that we have been making mortgage payments on for 7 years, has devalued to about \$70,000. The traffic is atrocious. Our electrical bills are some of the highest in the state, (one bill this summer was \$351.00 for my 1256 sq ft. home with no pool). That month, my utilities (\$351.00 for ED #3 and \$100-something for Global Water) were equal to 70% of my house payment (before escrow impounds).

Half of the homes on my block are vacant, mostly bank-owned. The house to my left, directly across the street and then just about every other house, vacant. Even at the prices they are offering these homes for, no one is buying them because when they consider the taxes, the cost of electricity, the cost of water and sewer, the traffic, cost of gas, the remote location, the lack of shops, services, restaurants, Maricopa ends up losing appeal. If you hike Global's rates, that loss of appeal increases.

Were it not for my old fashioned values, I would probably be gone from Maricopa too. If you let Global Water increase their rates as proposed, I may be forced to relocate. I cannot continue to live in a house that is a money pit, with negative equity, ridiculous utility rates and very little positive amenities to the town.

My HOA informs me that the proposed increases are purely profit-driven so that major stakeholders and investors will realize a higher rate of return. Well too bad for them. They knew the risk when they invested in Maricopa. Why should we make up for the economic downturn? In time, they may realize a return or will be able to realize a tax benefit to cover their loss. But for Global Water Investors to try and take a higher profit off the backs of citizens who have already been hit hard by the diminished property value and other high costs of living in Maricopa, is unconscionable. Investments sometimes do not do well. Investors should have to live with that risk. The investors are the ones who live with the profits.

The proposed increases do not propose to improve service, quality or distribution, nor do they cover any new infrastructure. They are for investors to realize a higher rate of return. Please, do not allow it.

My HOA is already struggling to cover landscaping costs. If the cost of non-potable water goes up nearly 600% over the next 3 years, we will pay outrageous HOA assessments, and have less desirable landscaping. Not that it will matter if Maricopa becomes a ghost town.

I implore you not to approve Global Water's requests for increases in Maricopa. Keep the town of Maricopa alive and in time, enough residents may move in to greatly increase their customer base and raise their

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## UTILITY COMPLAINT FORM

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revenues the right way, not off the backs of the citizens who are trying to hang on to their homes in Maricopa, despite the current economic conditions. There is no need for these increases except to increase the profits of investors, who should have been aware that an economic downturn such as we have experienced would result in lower profits. They assumed that risk. Don't take it out on the poor citizens of Maricopa.

Sincerely,

Sharon Mason Ferraro

[REDACTED]  
Maricopa, Arizona 85138  
[REDACTED]  
[REDACTED]

\*End of Complaint\*

### Utilities' Response:

### Investigator's Comments and Disposition:

DOCKETED

\*End of Comments\*

Date Completed: 12/3/2009

Opinion No. 2009 - 83522

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